

Senate File 2182 - Introduced

SENATE FILE 2182

BY QUIRMBACH

A BILL FOR

1 An Act relating to the retention of funds due to contractors
2 for claims for labor, service, and transportation on public
3 improvements.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 573.15, Code 2011, is amended to read as
2 follows:

3 **573.15 Exception.**

4 1. No part of the unpaid fund due the contractor shall be
5 retained as provided in this chapter on claims for material
6 furnished, other than materials ordered by the general
7 contractor or the general contractor's authorized agent, unless
8 such claims are supported by a certified statement that the
9 general contractor had been notified within thirty days after
10 the materials are furnished or by itemized invoices rendered
11 to contractor during the progress of the work, of the amount,
12 kind, and value of the material furnished for use upon the
13 said public improvement, and no part of such unpaid fund due
14 the contractor shall be retained as provided in this chapter
15 because of the commencement of any action by the contractor
16 against the state department of transportation under authority
17 granted in section 613.11.

18 2. No part of the unpaid fund due the contractor shall
19 be retained as provided in this chapter on claims for labor
20 performed, or service or transportation furnished, other than
21 labor, service, or transportation ordered by the general
22 contractor or the general contractor's authorized agent, unless
23 such claims are supported by a certified statement that the
24 general contractor had been notified within sixty days after
25 the labor is performed or the service or transportation are
26 furnished or by itemized invoices rendered to the contractor
27 during the progress of the work, of the amount, kind, and value
28 of the labor performed or service or transportation furnished
29 for use upon the said public improvement, and no part of such
30 unpaid fund due the contractor shall be retained as provided in
31 this chapter because of the commencement of any action by the
32 contractor against the state department of transportation under
33 authority granted in section 613.11.

34 EXPLANATION

35 Current law provides an exception to the requirement that a

1 public corporation retain a portion of funds due a contractor
2 on a public improvement project in a fund for the payment
3 of claims. The exception provides that a public corporation
4 need only retain funds due a supplier of material to a general
5 contractor if the supplier provides the general contractor with
6 one of two permitted types of notice of a claim: notice within
7 30 days of completion of the work or itemized invoices during
8 the progress of the work.

9 This bill adds suppliers of labor, service, or
10 transportation to general contractors to the exception. The
11 two permitted types of notice for such suppliers are notice
12 within 60 days of completion of the work or itemized invoices
13 during the progress of the work.